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# Unemployment rate rises to 4.1 per cent in January

Media Release

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**i** Source: [Labour Force, Australia, January 2024](#)

The seasonally adjusted unemployment rate rose by 0.1 percentage point (rounded) to 4.1 per cent in January, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "With employment remaining stable and the number of unemployed increasing by 22,000 people, the unemployment rate rose to 4.1 per cent in January.

"This was the first time in two years, since January 2022, that the unemployment rate had been above 4 per cent."

However, similar to January 2022 and 2023, the increase in the unemployment rate in January 2024 coincided with a higher-than-usual number of people who were not employed but who said they will be starting or returning to work in the future.

"While there were more unemployed people in January, there were also more unemployed people who were expecting to start a job in the next four weeks," Mr Jarvis said.

"This may be an indication of a changing seasonal dynamic within the labour market, around when people start working after the summer holiday period. In January 2022, 2023 and 2024, around 5 per cent of people who were not employed were attached to a job, compared with around 4 per cent in the January surveys prior to the COVID-19 pandemic."

The seasonally adjusted participation rate remained steady at 66.8 per cent and the employment-to-population ratio fell 0.1 percentage point to 64.1 per cent. Both of these rates were still close to their recent historical highs and well above their pre-pandemic

levels.

## Employment and hours worked

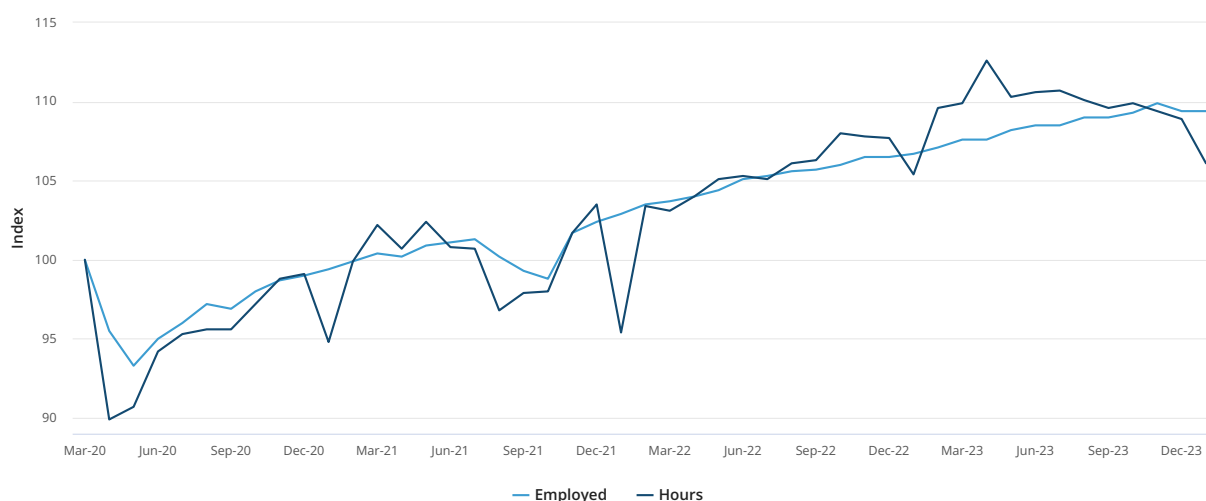
Seasonally adjusted monthly hours worked fell by 2.5 per cent in January 2024.

“January is a popular month for people to take annual leave. Compared with January surveys before the pandemic, we again saw a higher proportion of employed people working no hours because they were on leave. We have seen a similar pattern in recent January surveys, which may point to further changes in labour market dynamics around the summer holiday period,” Mr Jarvis said.

The fall in hours worked in January continued the general slowing since mid-2023.

“Since October 2023, the annual growth rate in hours worked has slowed considerably, down to 0.7 per cent in January 2024, and well below the annual employment growth of 2.6 per cent,” Mr Jarvis said.

## Seasonally adjusted employment and hours worked, indexed to March 2020



## **Underemployment and underutilisation**

The seasonally adjusted underemployment rate rose 0.1 percentage point to 6.6 per cent. While this was 0.8 percentage points higher than the recent low in February 2023, it was still 2.1 percentage points lower than March 2020.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.3 percentage points to 10.7 per cent. This was 1.4 percentage points higher than its recent low of 9.3 per cent in November 2022 but 3.2 percentage points lower than before the pandemic.

## **Underlying trend data**

In January, the trend unemployment rate remained at 3.9 per cent.

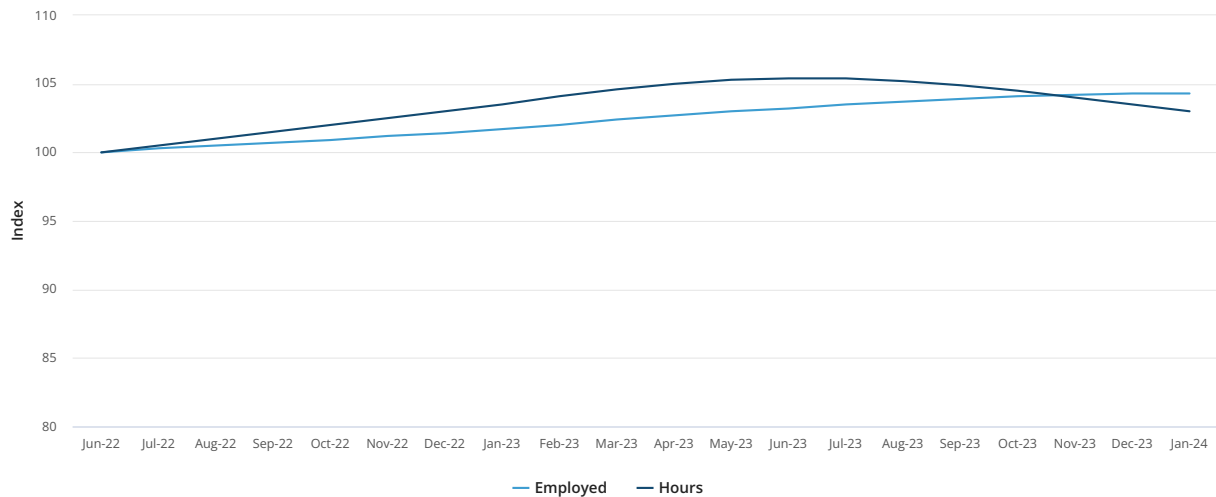
Employment grew by 7,000 people (0.1 per cent) and hours worked fell 0.5 per cent in January, in trend terms.

The employment-to-population ratio fell 0.1 percentage point to 64.1 per cent in January, while the participation rate also fell 0.1 percentage point to 66.8 per cent.

The underemployment rate remained at 6.6 per cent and the underutilisation rate rose 0.1 percentage point to 10.5 per cent.

"In trend terms, the growth in employment has slowed since March 2023. The growth in hours worked has also slowed since March and has been negative since July 2023," Mr Jarvis said.

## Trend employment and hours worked, indexed to June 2022



Source: Labour Force, Australia, Tables 1 and 19

“The increasing unemployment and underemployment rates since late 2022, along with the recent falls in the participation rate and employment-to-population ratio, all point to a slowing labour market during 2023-24.

“However, it’s important to remember that this slowing follows a particularly tight labour market during 2022-23,” Mr Jarvis said.

More information, including regional labour markets, will be available in the upcoming January 2024 issue of Labour Force, Australia, Detailed, due for release on Thursday 22 February 2024.

The ABS would like to thank Australians for their continued support in responding to our surveys.

## Media notes

- The January survey reference period was from 31 December 2023 to 13 January 2024.
- The February survey reference period is from 4 February 2024 to 17 February 2024.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our [image library \(/media-centre/abs-image-library/\)](/media-centre/abs-image-library/).
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
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